

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 1060-04
Bill No.: Truly Agreed to and Finally Passed HCS for SCS for SB 295
Subject: Taxation and Revenue: Property Tax Sale
Type: Original
Date: May 27, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Tax Commission** of the **Department of Revenue** assume there would be no state or local fiscal impact.

The **Greene County Collector** stated this proposal would not create any additional costs or revenue to the county.

St. Louis County Collector of Revenue stated there would be cost associated with title searches that would add \$35 to every sale of property. Officials stated there would be no significant cost if the search were applied to only the 3rd sale. Officials expressed concern with the title search and assumes there could be litigation costs.

Oversight assumes that according to Section 140.405 any cost related to title searches is to be paid by the purchaser. Oversight assumes that cost is recoverable.

ASSUMPTION (continued)

Officials not responding are as follows: The County Collectors of Callaway, Boone, Marion, Johnson, Platte County

<u>FISCAL IMPACT - State Government</u>	FY 2004	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill modifies the provisions of the delinquent tax collection laws. The bill:

- (1) Extends the collection laws to include mineral rights and royalty interests within the scope of items subject to sale to discharge a tax lien and removes the provisions that allow the partial sale of land to satisfy taxes;
- (2) Reduces from seven to three years the time that the County Treasurer must hold the surplus of money from the sale of land for taxes. After three years if monies are not claimed the money becomes a permanent school fund of the county.
- (3) Removes the requirement that the collector notify the person entitled to any excess funds from the sale and reduces the redemption time for receiving land purchased at a sale from two years to one year;
- (4) Allows the collector to charge a title search fee and the recording fee. If a collector charges for the recording fee, he or she is responsible for recording the deed. Nonresidents or delinquent taxpayers are restricted from being assigned certificates of purchase; and

(5) Modifies the provisions concerning the rights of subsequent purchasers where a primary

DESCRIPTION (continued)

purchaser has caused taxes on the property to become delinquent. In this case, the first purchaser will forfeit all liens on the property.

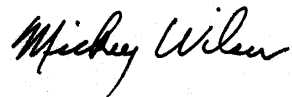
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Missouri State Tax Commission
Jefferson County Commission
Marion County Collector
Platte County Collector
St. Louis County Director of Revenue

NOT RESPONDING

Boone County Collector
Callaway County Collector
Marion County
Johnson County Collector
Platte County



Mickey Wilson, CPA
Director
May 27, 2003

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